

BEFORE THE PUBLIC DISCLOSURE COMMISSION
OF THE STATE OF WASHINGTON

IN THE MATTER OF ENFORCEMENT)	PDC CASE NO: 03-006
ACTION AGAINST)	
)	
United Seafood Business Association and)	Notice of Administrative
Doug Merino)	Charges
Respondents.)	
_____)	

IT IS ALLEGED as follows:

I.
JURISDICTION

Jurisdiction of this proceeding is based on Chapter 42.17 RCW, the Public Disclosure Act, Chapter 34.05, Administrative Procedure Act, and Title 390 WAC.

II.
LAW

RCW 42.17.020(29) states, ““Lobbyist’s employer” means the person or persons by whom a lobbyist is employed and all persons by whom he or she is compensated for acting as a lobbyist.”

RCW 42.17.180 states in part the following:

“(1) Every employer of a lobbyist registered under this chapter during the preceding calendar year ... shall file with the commission on or before the last day of February of each year a statement disclosing for the preceding calendar year the following information:

(a) The name of each state elected official and the name of each candidate for state office who was elected to the office and any member of the immediate family of those persons to whom the person reporting has paid any compensation in the amount of five hundred dollars or more during the preceding calendar year for personal employment or professional services ...

(b) The name of each state elected official, successful candidate for state office, or members of his immediate family to whom the person reporting made expenditures, directly or indirectly, either through a lobbyist or otherwise, the amount of the expenditures and the purpose for the expenditures.

(c) The total expenditures made by the person reporting for lobbying purposes, whether through or on behalf of a registered lobbyist or otherwise.

(d) All contributions made to a political committee supporting or opposing a candidate for state office, or to a political committee supporting or opposing a state-wide ballot proposition. Such contributions shall be identified by the name and address of the recipient and the aggregate amount contributed to each such recipient.

(e) The name and address of each registered lobbyist employed by the person reporting and the total expenditures made by such person for each such lobbyist for lobbying purposes.

(f) The names, offices sought, and party affiliations of candidates for state offices supported or opposed by independent expenditures of the person reporting and the amount of each such expenditure.

(g) The identifying proposition number and a brief description of any state-wide ballot proposition supported or opposed by expenditures not reported under (d) of this subsection and the amount of each such expenditure.

(h) Such other information as the commission prescribes by rule.”

WAC 390-20-110 Forms for lobbyist employers report, states in part: “The official form for statement by employers of registered lobbyists as required by RCW 42.17.180 is designated “L-3,” revised 1/98.”

III. **FACTS**

Failure to file Lobbyist Employer's Report (PDC form L-3) covering calendar year 2001 activity, due February 28, 2002 (RCW 42.17.180)

The Respondent, United Seafood Business Association and Doug Merino, is a “lobbyist’s employer” as defined in RCW 42.17.020(29). On February 12, 2001, Doug Merino filed a lobbyist registration form (PDC form L-1) registering Dennis Eagle as the lobbyist and United Seafood Business Association as the lobbyist’s employer. The registration form listed Doug Merino as the “*person having custody of accounts, receipts, books or other documents which substantiate the lobbyist reports.*” Doug Merino signed the L-1 form, listing himself as the Director of United Seafood Business Association. Dennis Eagle signed the L-1 registration form as the person who would be lobbying for United Seafood Business Association. The registration form is required to be filed on the second Monday in January of each odd-numbered year. The registration filed February 12, 2001 is effective until January 13, 2003, unless terminated sooner by the lobbyist or the lobbyist employer.

The L-1 form indicated that lobbying would be most frequent in the area of environmental affairs (natural resources and parks). On March 14, 2001, Dennis Eagle amended the employer’s address on the L-1 form to 4010 Patrick Ct. S.E., Olympia, WA 98501. The lobbyist registration stated that Dennis Eagle would be paid \$2,500.00 per month during the legislative session. The L-1 also stated that Mr. Eagle would be reimbursed for expenses. (**See Exhibit 1**)

Dennis Eagle timely filed his Lobbyist Monthly Expense Reports (PDC form L-2) during calendar year 2001. The reports showed that Dennis Eagle earned \$2,500.00 in compensation from United Seafood Business Association in February, March, April, and May, 2001 for a total of \$10,000.00 earned in compensation. During this same period, Dennis Eagle reported lobbying

expenses of \$159.93. Thus, total compensation earned and expenses incurred for the period February through May, 2001 totaled \$10,159.93. The L-2 reports filed by Dennis Eagle for June through December, 2001 showed zero in total compensation and expenses. Dennis Eagle terminated the lobbyist registration for United Seafood Business Association as of December 31, 2001. No other lobbying expenses were reported by Dennis Eagle on behalf of United Seafood Business Association for 2001. (**See Exhibit 2**)

Dennis Eagle received one payment of \$2,500.00 with a check written on the account of “F/V Pacific Dynasty – Joseph Merino and Roberta Merino” on behalf of United Seafood Business Association and Doug Merino, on February 20, 2001, for “Lobby work – Olympia.” (**See Exhibit 3**) The remaining \$7,500.00 in compensation earned and \$159.93 in expenses incurred were not paid to Mr. Eagle. United Seafood Business Association and Doug Merino were required to report all amounts paid and owed for compensation earned and lobbying expenses incurred by Dennis Eagle during 2001.

A review of Public Disclosure Commission records showed that United Seafood Business Association and Doug Merino made no campaign contributions to candidates for state office, or to a political committee supporting or opposing a state-wide ballot proposition during 2001. In addition, United Seafood Business Association and Doug Merino made no independent expenditures supporting or opposing candidates for state office during 2001.

A postcard was sent to the Respondents on March 22, 2002, reminding the lobbyist’s employer that PDC form L-3, covering calendar year 2001 activity, was required to be filed by the last day of February, 2002 and had not been received. The reminder stated that to avoid a possible enforcement hearing, the L-3 form needed to be received by the PDC no later than April 12, 2002. (**See Exhibit 4**) The L-3 report has not been received.

Past History –

1997 – In 1997, United Seafood Business Association timely filed its L-3 report covering 1996 lobbying activities.

1998 - In 1998, the required L-3 was not filed and a brief enforcement hearing was held. A \$500 penalty was assessed with \$250 suspended on the condition that no further violations occur for two years. The penalty was not paid and the case was sent to the Attorney General's Office for collection on January 10, 2001. The penalty has not been collected.

1999 - In 1999, no L-3 report was filed, even though lobbyist Jensen & Walgren Governmental Consulting filed L-2 reports showing that they earned \$4,000 in compensation from February through May of 1998 from United Seafood Business Association. In addition, the lobbyist reported contributions made by United Seafood Business Association to state office candidates totaling \$600 during May, 1998. No enforcement was conducted during 1999 because the Respondent could not be located.

2000 – In 2000, an L-3 report was filed showing zero lobbying expenses for the period covered by the 2000 report.

2001 – In 2001, United Seafood Business Association was not required to file an L-3 report because they did not have a registered lobbyist during the period covered by the report.

IV.

CONCLUSION

United Seafood Business Association and Doug Merino employed Dennis Eagle to lobby on its behalf for calendar year 2001. Dennis Eagle reported earning \$10,000.00 in compensation for his lobbying services during 2001. Mr. Eagle also reported incurring lobbying related expenses of \$159.93 during 2001. Dennis Eagle provided evidence that United Seafood Business Association only paid him \$2,500.00 of the \$10,000.00 earned for his 2001 lobbying work, and that he was not reimbursed for expenses totaling \$159.93. The compensation earned and the

expenses incurred by Dennis Eagle during 2001 were required to be reported on PDC form L-3 by United Seafood Business Association and Doug Merino by February 28, 2002.

Staff alleges, based on the facts specified in Section III, that United Seafood Business Association and Doug Merino have violated RCW 42.17.180 by failing to file a Lobbyist Employer's Report (PDC form L-3) covering lobbying activities for calendar year 2001. The report was due by February 28, 2002 and has not been received.

RESPECTFULLY SUBMITTED this 9th day of July, 2002.

Philip E. Stutzman
Director of Compliance

List of Exhibits

Exhibit 1	L-1 report filed by United Seafood Business Association and Doug Merino
Exhibit 2	L-2 reports filed by Dennis Eagle for 2001
Exhibit 3	Check for \$2,500.00 from F/V Pacific Dynasty, Joseph Merino and Roberta Merino to Dennis Eagle
Exhibit 4	Reminder Postcard Sent March 22, 2002